

OXC-2958
Copy 2 of 7

16 January 1962

MEMORANDUM FOR : Deputy Director (Plans)

SUBJECT : OXCART Contract Audit Procedure

REFERENCE : Draft Memorandum to DD/S from C/Audit Staff; Subject:
"Audit of Contracts under OXCART Program"

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1. [REDACTED] brought the referenced draft memorandum attached to DPD 15 January to discuss it before finalizing it for his and [REDACTED] signature to [REDACTED]. As noted in paragraph 1 of the draft, this particular paper is responsive to questions raised by Mr. McCone last Wednesday evening during a Comptroller's briefing of the Director on Agency fiscal matters. The meeting was attended by [REDACTED]

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2. Apparently Mr. [REDACTED] asked what our standing audit arrangements were on the Lockheed OXCART contract. At this point [REDACTED] reviewed our standing agreement with [REDACTED] and [REDACTED] on all Special Project activities under DPD. For some reason Mr. McCone appears to have been less than fully satisfied with the scope of the response, especially as it deals with the question of ultimate responsibilities between the Air Force and the Agency. [REDACTED] drafted the attachment in a rather straightforward and, I believe, satisfactory manner. I felt that you would want to review this before it was finalized, so that if you had any inputs, they could be registered here. Les is quite anxious to move this paper in view of the DCI's interest, so I would urge your early consideration of its content. FYI, the reference in paragraph 6 to the failure of the Air Force to execute the basic agreement between CIA and itself on OXCART, [REDACTED] is one which has repeatedly plagued us and about which I have needed [REDACTED] on numerous occasions, the last of which was 15 January. You may wish to mention this to Leo himself when he returns from his quick trip to [REDACTED] later this week.

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Attachment
Draft

[REDACTED]
Acting Chief, DPD-DD/P

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